

Teaching And Research Interests In Real Estate

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ABSTRACT

This paper presents the findings of an investigation aimed at determining teaching and research interests of U.S. finance faculty regarding the academic discipline of real estate. The paper focuses on two groups of finance faculty from six academic years spanning the 1994-2005 period. While one group consists of an exhaustive roster of titled professors of finance as per the Hasselback directories, the other consists of randomly selected samples of finance educators from over 800 U.S. colleges and universities. On average, about 1 in 14 titled professors and 1 and 13 randomly selected finance professors had noted real estate as an area of teaching interest. Approximately 5 percent of all reported teaching interests were in real estate for both groups of faculty. The study also reveals that about 1 in 11 titled professors and 1 in 12 sampled faculty had an interest in conducting research in the real estate field. Among the randomly selected finance faculty who wanted to teach or perform research in real estate, less than 20 percent were assistant professors, 30 percent were associate professors and more than 40 percent were full professors.

INTRODUCTION

The relationship between finance and real estate has been addressed by numerous studies. Wurtzback (1980) was one of the first authors to make a forceful argument in favor of integrating real estate into the finance curriculum. In some fashion, he visualized finance as an offspring of the field of economics and real estate as being an offspring of the finance field. Webb and Albert (1995) surveyed the members of the Financial Management Association (FMA) to learn the views of the “mainstream finance faculty” about the real estate discipline. To illustrate the close working relationship between finance and real estate, in their opening remarks they note that more than 85 percent of the real estate faculty in the U.S. are located in finance departments. Faircloth and Swidler (1998) examined the relative research productivity between real estate and finance faculty within their departments. To ascertain the finance academicians’ opinions regarding the importance of practical experience, Chan and Shum (1995) surveyed the members of the FMA. A study by Hardin (2000) similarly attempted to gather the real estate academicians’ opinions of practical work experience and its impact on various academic attributes using the Chan and Shum framework (1995). First Kaufman (1984) and later, Chan and Fok (2003) ranked finance departments utilizing their faculty representation on editorial boards of core finance journals. In a recent paper, Urbancic (2004) ranked the real estate programs utilizing their faculty representation on editorial boards of leading real estate journals.

The few examples listed above provide an indication of the close ties between finance and real estate. The mainstream finance literature contains a rather large number of studies which have focused on subjects like evaluating finance journals, ranking of journals, value of journal articles, rankings of finance departments, rankings of finance scholars, analysis of citations and many other closely meshed topics. Real estate literature which has blossomed in the last 20 years also has its share of comparable studies. Some of the noteworthy works are by Clauretje and Daneshvary (1993), Diaz, et al. (1996), Dombrow and Turnbull (2000, 2002, 2004), Gibler and Ziobrowski (2002), Isakson and Ordway (1987), Redman, et al (1999), Sa-Aadu and Shilling (1988), and Ziobrowski and Gibler (2000), among others. However, a review of real estate literature reveals that one subject has not received any direct attention, namely, that of ascertaining how many finance faculty want to teach real estate courses and how many want to engage in real estate research. This void provides impetus for the present investigation.

As the heading of the paper suggests, the broadly stated purpose of this paper is to report the teaching and research interests of finance faculty in U.S. colleges and universities specifically concerning the academic discipline of real estate. To meet this objective, the study examines two groups of finance faculty. While the first group consists of titled professors of finance, the second group consists of randomly selected finance instructors from the colleges and universities throughout the U.S. The investigation which relies on the data of six academic years between 1994 and 2005 is aimed at determining:

- i) What percentage of titled professors of finance have expressed an interest in teaching real estate courses and of all the teaching interests reported for titled professors, what percentage is represented by teaching interests in real estate;
- ii) The answers to the questions similar to those posed in i) but for the finance faculty at large;
- iii) What percentage of titled professors of finance have expressed a desire to conduct research in real estate and of all the research interests reported for titled professors, what percentage is represented by research interests in real estate;
- iv) The answers to the questions similar to those posed in iii) but for the finance faculty at large;
- v) What are the academic rank distributions of randomly selected finance faculty who had expressed interests in conducting research in real estate or in teaching real estate classes; and
- vi) What is the breakdown of the teaching interests of randomly selected finance faculty who wanted to teach real estate classes.

In the next section, the data and the methodology utilized in this study are described. The third section documents the findings of the investigation. A brief summary makes up the final section.

DATA AND METHODOLOGY

Every alternate academic year, Pearson Prentice Hall publishes *Prentice Hall Finance Faculty Directory* compiled by professor James R. Hasselback. The directories for the academic years 1994-1995, 1996-1997, 1998-1999, 2000-2001, 2002-2003 and 2004-2005 were the primary sources of the relevant data for this study. These directories include considerable personal information on finance faculty from over 800 U.S. colleges and universities as well as from a few foreign universities. The directories report faculty's academic ranks, their employers, from where and when they received their highest degrees, their teaching interests, and their research interests, among others. For any faculty holding an "endowed chair" or a titled "chair", a "professorship" or a "fellowship", these guides include the complete title of such positions. For this investigation, all such titled professors were identified. For the six academic years under consideration, a total of 1,872 titled professors of finance were included in this examination.

Each Hasselback directory is divided into two parts. In the first part, all the academic institutions are listed alphabetically, covering the pertinent information on each institution's finance department or faculty specializing in finance. In the second part, all finance faculty included in the directory are listed alphabetically. On average, each page of the second part provides information on 68 to 76 faculty. For this study, six faculty members from each page of the second part of each directory were selected randomly using a transparent grid designed to choose 3 faculty from the upper half and 3 faculty from the lower half of each page. Faculty from foreign schools were not included in the study. The 2004-2005 directory for example, listed about 6,400 finance faculty on 89 pages. Thus, the random selection process produced a sample size of 534 for 2004-2005. The sample size was approximately 8.33 percent of the finance faculty population from each year and thus, 2,802 randomly selected faculty were included in this investigation. The titled professors of finance included in this paper reflect an exhaustive list as per the Hasselback directories.

By and large, the two most important dimensions of faculty academic profile are thought to be their teaching and research interests or specializations and their achievements in these two vital areas. The Hasselback guides address the first aspect, namely, the teaching and research interests. In preparing the directories, the faculty (or their department chairs) are offered six different teaching areas to choose from to indicate their primary areas of teaching interest. The six areas are identified as "Corporate Finance", "Investments", "Financial Institutions and

Markets”, “International Finance”, “Real Estate” and “Insurance”. While some faculty might engage in the teaching of courses belonging to many different areas, the respondents to the Hasselback surveys are allowed to choose no more than two areas of teaching interests. In this respect, two areas can be viewed as teaching interests or preferences or specializations of each finance faculty.

To facilitate extracting faculty’s research interests, preferences or specializations, Hasselback guides offer seven broadly classified research areas, including one for real estate. Some of these broad categories are further sub-categorized to offer a total of 28 different sub-areas. For example, the international finance group is sub-divided into international corporate finance, international financial markets and international investments. The research areas classified as real estate as well as insurance are not further sub-divided, The respondents to Hasselback surveys are allowed to note a maximum of four research areas to indicate their primary research interests. For example, a faculty who specializes in the areas of real estate, fixed income securities, futures and options and portfolio management would be denoted in the Hasselback directories by notations of “&klm” in the research column. In spite of the efforts and the precautions taken in preparing the Hasselback directories, obtaining complete information on all faculty becomes an impossible task. Accordingly, utilizing Hasselback directories to retrieve teaching and research interests of faculty leads to one notable drawback, namely, that of the unreported data. In reporting the findings, this study takes into account the frequency of missing data.

The teaching and research interests of named professors are considered separately in this study because these individuals are likely to be the highest ranked professors who are the most renowned and most accomplished educators in the finance discipline. Moreover, these educators often set the direction and the tone of research in finance. And yet, to meet the objective of the paper fully, it was believed that one also needs to consider the teaching and research interests of finance faculty at large and not just the elite educators. Accordingly, this study also relies on random samples of finance faculty from colleges and universities from all over the U.S. for each academic year of the investigation.

FINDINGS

The findings that emerged from this study are summarized in five tables. For reasons of space, the discussion of tabulated results is focused on answering the six sets of questions underlying the investigation and thus, kept terse. It is believed that the self-explanatory nature of the exhibits will facilitate readers to reach their own conclusions regarding the time series trends.

Table 1: Real Estate as an Area of Teaching Interest to Titled Professors of Finance in the U.S. Colleges and Universities, 1994-2005

Academic Year	Total Titled Professors	No. of Titled Professors for Whom Teaching Interests are Reported	Total No. of Teaching Interests Reported	No. of Titled Professors Expressing an Interest in Teaching Real Estate	(5) / (3) as a %	(5) / (4) as a %	Rank out of 6 Teaching Areas
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1994-1995	234	169	243	11	6.51	4.53	6
1996-1997	266	204	287	14	6.87	4.88	6
1998-1999	274	208	304	13	6.25	4.28	6
2000-2001	312	247	358	19	7.69	5.31	6
2002-2003	375	300	433	23	7.67	5.31	6
2004-2005	411	322	474	28	8.7	5.91	5

Teaching Interests

Table 1 presents the findings concerning real estate as an area of teaching interest to titled professors of finance in each of the six academic years. The entries in the sixth column of the table indicate the percentages of titled professors who have expressed a desire to teach real estate classes. Over the study period, on average, 7.28 percent or about 1 in 14 titled professors had indicated an interest in teaching real estate courses. The information conveyed by the seventh column considers the fact that the Hasselback survey respondents can express their teaching interests in up to two areas. The mean of the six entries in column 7 indicate that just over 5 percent of all teaching interests reported for titled professors were in the field of real estate.

Table 2 exhibits the findings regarding real estate as an area of teaching interest or teaching specialization to randomly selected samples of finance faculty. On average, 7.74 percent or about 1 in 13 of the sampled faculty in this study had listed real estate as an area of teaching interest. Of all the teaching interests listed for the sampled faculty, on average, about 1 in 20 were for real estate, a proportion comparable to that found for titled professors of finance in Table 1. It is believed that this proportion is probably reflective of the fact that on average, only a small proportion of all finance courses offered each term at most colleges and universities tend to be in real estate.

Table 2: Real Estate as an Area of Teaching Interest to Randomly Selected Sample of Finance Professors in the U.S. Colleges and Universities, 1994-2005

Academic Year	Total Titled Professors	No. of Titled Professors for Whom Teaching Interests are Reported	Total No. of Teaching Interests Reported	No. of Titled Professors Expressing an Interest in Teaching Real Estate	(5) / (3) as a %	(5) / (4) as a %	Rank out of 6 Teaching Areas
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1994-1995	234	169	243	11	6.51	4.53	6
1996-1997	266	204	287	14	6.87	4.88	6
1998-1999	274	208	304	13	6.25	4.28	6
2000-2001	312	247	358	19	7.69	5.31	6
2002-2003	375	300	433	23	7.67	5.31	6
2004-2005	411	322	474	28	8.7	5.91	5

Research Interests

The findings of this study concerning real estate as an area of research interest or specialization to titled professors of finance are summarized in Table 3. According to the sixth column of this table, on average, 9.40 percent or about 1 in 11 titled professors had listed real estate as an area of research interest. Considering that the Hasselback survey respondents can list up to 4 areas of research specializations, the column 7 measures can be viewed as diluted versions of measures displayed by column 6. The findings in this regard show that on average, about 1 in 30 of the reported research interests of titled professors were in real estate.

The findings with respect to real estate as an area of research interest to sampled finance faculty are presented in Table 4. The mean of the column 6 entries indicate that on average, 8.37 percent, that is, about 1 in 12 finance faculty in the U.S. had an interest in conducting research in real estate. The mean of the column 7 figures indicate that just over 3 percent or 1 in 33 of all research interests reported for the randomly selected finance instructors were in real estate.

Table 3: Real Estate as an Area of Research Interest to Titled Professors of Finance in the U.S. Colleges and Universities, 1994-2005

Academic Year	Total Titled Professors	No. of Titled Professors for Whom Research Interests are Reported	Total No. of Research Interests Reported	No. of Titled Professors who have Expressed an Interest in Conducting Research in Real Estate	(5) / (3) as a %	(5) / (4) as a %	Rank out of 7 Research Subgroups	Rank out of 28 Individual Research Areas
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1994-1995	234	148	413	12	8.11	2.91	7	15
1996-1997	266	171	483	18	10.53	3.73	7	12
1998-1999	274	175	493	19	10.86	3.85	7	13
2000-2001	312	215	580	20	9.3	3.45	7	13
2002-2003	375	255	704	23	9.02	3.27	7	15
2004-2005	411	279	780	24	8.6	3.08	6	15

Table 4: Real Estate as an Area of Research Interest to Randomly Selected Sample of Finance Professors in the U.S. Colleges and Universities, 1994-2005

Academic Year	Total No. of Randomly Selected Finance Professors	No. of Randomly Selected Finance Professors for Whom Research Interests are Reported	Total No. of Research Interests Reported	No. of Randomly Selected Professors who have Expressed an Interest in Conducting Research in Real Estate	(5) / (3) as a %	(5) / (4) as a %	Rank out of 7 Research Subgroups	Rank out of 28 Individual Research Areas
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1994-1995	384	184	513	15	8.15	2.92	6	17
1996-1997	432	259	719	20	7.72	2.78	6	18
1998-1999	456	277	770	28	10.11	3.64	6	13
2000-2001	486	295	804	25	8.47	3.11	6	17
2002-2003	510	337	908	34	10.09	3.74	6	14
2004-2005	534	352	984	20	5.68	2.03	6	21

Academic Rank Distributions

In the six academic years examined in this study, the academic ranks of randomly selected finance faculty averaged as follows: Full professors – 38.7%; Associate professors – 30.6%; Assistant professors – 26.9%; and other – 3.8%. (These percentages are not displayed in any tables.) In this sub-section, the rank distributions of sampled faculty with research or teaching interest in real estate are examined. The relevant findings are presented in Panels A and B of Table 5 for each academic year as well as for the overall period. The last column of Panel A indicates that of the sampled faculty, full professors have been more than twice as likely as the assistant professors to express an interest in conducting research in the real estate area. Panel B points out that with respect to teaching interest in real estate, the findings are very much similar.

Since the respondents to the Hasselback survey are allowed to express two areas of teaching preference or specialization, the reported teaching interests of 150 finance faculty who had indicated an interest in teaching real estate classes were further examined. Panel C of Table 5 summarizes the findings. Since it is difficult to determine how the Hasselback survey question regarding teaching interest is interpreted by different respondents, the findings can be interpreted in a variety of ways. Two such interpretations are that a majority of the 150 faculty had a preference for teaching just real estate classes or a majority of the 150 consider themselves as specializing in teaching real estate classes. In most colleges and universities, faculty may not have the opportunity to teach just real estate or for that matter, insurance classes. Moreover, since courses in managerial or corporate finance constitute the core classes for business administration students, multiple sections of these classes are generally offered. It can be therefore argued that the faculty who have an interest in teaching real estate classes or those who prefer to teach real estate classes but the reality dictates that they teach some other classes as well, would probably select corporate finance classes to supplement real estate classes. Panel C tabulations support this contention.

Table 5: Additional Information on Randomly Selected Finance Faculty Who Had Expressed an Interest in Teaching or Conducting Research in Real Estate

Panel A								
Academic Ranks of Randomly Selected Finance Faculty Who Were Interested in Conducting Research in Real Estate								
	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	Total	% of 142
Professors	6	8	11	11	17	10	63	44.37
Associate Professors	3	8	10	8	10	5	44	30.99
Assistant Professors	5	4	5	4	6	3	27	19.01
Other *	1	0	2	2	1	2	8	5.63

Panel B								
Academic Ranks of Randomly Selected Finance Faculty Who Were Interested in Teaching Real Estate Classes								
	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	Total	% of 150
Professors	5	9	9	8	19	13	63	42.00
Associate Professors	5	9	10	10	8	4	46	30.67
Assistant Professors	5	4	5	5	6	4	29	19.33
Other *	2	0	3	2	2	3	12	8.00

Panel C	
Breakdown of Teaching Interests of Randomly Selected Finance Faculty Who Wanted to Teach Real Estate Classes, 1994-2005	
Number of Faculty Who Had Expressed an Interest in Teaching Real Estate Only	76
Number of Faculty Who Had Expressed an Interest in Teaching Real Estate and Corporate Finance	46
Number of Faculty Who Had Expressed an Interest in Teaching Real Estate and Investments	14
Number of Faculty Who Had Expressed an Interest in Teaching Real Estate and Either Financial Institutions and Markets or International Finance or Insurance Classes	14

* Other ranks include lecturer, senior lecturer, instructor, adjunct and visiting professor or scholar, etc.

SUMMARY

The objective of this paper was to answer six sets of questions regarding the teaching and research interests of finance faculty in the U.S. with respect to the academic discipline of real estate. To attain this objective, the investigation examined two groups of finance faculty from over 800 colleges and universities in the U.S. over six academic years from the 1994-2005 period. The faculty who held the positions of titled, named or endowed chairs in finance made up the first group. The study utilized the entire list of titled professors as per the Hasselback directories. To form the second group, randomly selected samples of finance faculty were utilized. The sample size

was about 8.33 percent of the finance faculty population for each year under consideration as per Hasselback directories. The numbers of titled professors and randomly selected faculty total 1,872 and 2,802, respectively.

The following findings emerged from the study. On average, about 1 in 14 titled professors had an interest in teaching real estate classes. The comparable ratio for the randomly selected faculty was 1 in 13. For both groups of faculty, 5 percent of all reported teaching interests were in the area of real estate. On average, about 1 in 11 titled professors, and about 1 in 12 sampled faculty wanted to conduct research in real estate. Of all the research interests reported for titled professors, on average, 1 in 30 was in real estate. The comparable ratio for the randomly selected faculty was 1 in 33. For the pool of randomly selected finance instructors, it was determined that full professors were more than twice as likely as the assistant professors in expressing research interest as well as teaching interest in real estate. Of the sampled faculty who wanted to teach real estate courses, just over 50 percent preferred to teach only real estate classes while another 30 percent were willing to teach real estate as well as corporate finance classes.

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